



# Department of Justice

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## **FLORIDA HOMELAND SECURITY VENDOR EMPLOYEES ARRESTED ON CHARGES OF CONSPIRING TO DEFRAUD THEIR EMPLOYERS**

WASHINGTON, D.C. — Two Florida homeland security vendor employees were arrested today in Orlando, Fla. for their roles in a conspiracy to defraud their respective employers relating to contracts let by the U.S. Virgin Islands government for the purchase of emergency vehicles and other equipment, the Department of Justice announced.

A one-count indictment, unsealed today and filed yesterday in U.S. District Court in Orlando, Fla., charges Luis M. Candelario, a former sales representative for JPS Communications Inc. (JPS), and Thomas E. Vander Luitgaren, a former general manager of AK Specialty Vehicles LLC (AKSV), with participating in the conspiracy beginning in September 2003 and continuing through July 2005.

Today's case is the second to arise out of an ongoing investigation into the homeland security vending industry. In October 2007, Angel L. Rodriguez-Vasquez, a former homeland security equipment sales representative, pleaded guilty to participating in a conspiracy to defraud his employer, Pittsburgh-based Fisher Scientific International LLC (Fisher Scientific).

"These schemes deprive companies of their right to the honest services of their employees. The charge demonstrates the Antitrust Division's resolve to pursue those who try to defraud American businesses," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

Rodriguez-Vasquez, who previously pleaded guilty to participating in the conspiracy, and Candelario and Vander Luitgaren are charged with carrying out the conspiracy with co-conspirators by:

- Participating in a kickback scheme to defraud JPS, AKSV, Fisher Scientific, and Advance Vehicle System LLC (AVS) (formerly known as Audio Intelligence Devises Inc.), and agreeing to make or receive approximately \$415,000 in secret kickback or commission payments for the sale of emergency vehicles from JPS to the Virgin Islands government;
- Agreeing that Candelario would receive kickback payments of \$340,147 from AKSV for facilitating the emergency vehicles subcontract between JPS and AKSV;

- Ensuring that Candelario made return kickback payments of \$30,000 to Vander Luitgaren for arranging the kickback payments to Candelario;
- Ensuring that Candelario make a \$20,000 secret commission payment to Rodriguez-Vasquez for facilitating the emergency vehicles contract between JPS and the Virgin Islands government; and
- Convincing AVS to make approximately \$24,000 in secret commission payments to Rodriguez-Vasquez for facilitating the emergency vehicles contract between JPS and the Virgin Islands government after it was determined that Fisher Scientific would not participate in the sale of emergency vehicles to the Virgin Islands government.

The Department also charged that Candelario and Vander Luitgaren submitted phony invoices and used various bank accounts in Illinois, Florida and Puerto Rico in order to conduct the kickback scheme.

Candelario and Vander are charged with conspiracy to defraud, which carries a maximum term of imprisonment of 20 years and a maximum fine of \$250,000 for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

This investigation is being conducted by the Antitrust Division's Atlanta Field Office, the General Services Administration's Office of Inspector General (New York Field Office), and the U.S. Attorney's Office for the Middle District of Florida. Anyone with information concerning price fixing, bid rigging, or kickback schemes in the homeland security vending industry should contact the Atlanta Field Office of the Antitrust Division at 404-331-7100.

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